AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES (I-26)

Report of the Private Practice Physicians Section Reference Committee

Connie DiMari, MD, Chair

Your Reference Committee recommends the following consent calendar for acceptance:

RECOMMENDED FOR ADOPTION

1. Resolution 2 – AI Conflict of Interest
2. Resolution 3 – Ensuring Independent AMA Reports and Studies

RECOMMENDED FOR ADOPTION AS AMENDED

3. Resolution 1 – Hospitals Must Negotiate Physician Rates with Insurers in Good Faith
4. Resolution 4 – Due Process, Transparency, and Accountability for Delegated Third-Party Prior Authorization and Utilization Management Entities

RECOMMENDED FOR NOT ADOPTION

5. Resolution 5 – Payment Transparency to Non-Profit Healthcare Entities

RECOMMENDED FOR ADOPTION

(1) RESOLUTION 2 – AI CONFLICT OF INTEREST

RECOMMENDATION A:

Resolution 2 be <u>adopted.</u>

RECOMMENDATION B:

Resolution 2 be <u>held back for consideration at the 2027 Annual Meeting of the AMA House of Delegates</u>.

RESOLVED, that our American Medical Association will require that conflict of interest forms completed by AMA leadership applicants for Boards, Committees, Councils, and Sections include questions about all ownership and payments from companies that primarily deliver AI, even if that company does not have any direct known health-related activity (Directive to Take Action)

Your Reference Committee heard testimony in support of Resolution 2 with some suggested amendments to the resolve clause. The Committee considered these amendments, but ultimately believed that Resolution 2 was worthy of consideration as originally written. The Committee recommended delaying submission to the House of Delegates, however, due to the House's requirement that all items of business at the 2026 Interim Meeting be related to advocacy. While the Committee fully supported Resolution 2's goals, it did not believe it to be advocacy-related and as such it should be held until the 2026 Annual Meeting when non-advocacy resolutions will be accepted.

Your Reference Committee thus recommends Resolution 2 be adopted and back for consideration at the 2027 Annual Meeting of the House of Delegates.

(2) RESOLUTION 3 – ENSURING INDEPENDENT AMA REPORTS AND STUDIES

RECOMMENDATION A:

Resolution 3 be <u>adopted</u>.

RECOMMENDATION B:

Resolution 3 be <u>held back for consideration at the 2027 Annual Meeting of the AMA House of Delegates</u>.

RESOLVED, that our American Medical Association will ensure the AMA Board of Trustees, when reporting back to the House of Delegates (HOD) on original resolutions, 1) does not draw on the same AMA staff or advisors who advised the HOD on original

resolutions, and 2) conducts independent studies free from confirmation and anchoring biases (Directive to Take Action).

Your Reference Committee heard mixed testimony around Resolution 3. While testimony reflected that some PPPS members share the concern for maintaining intellectually honest reporting and bias-free information, it also pointed out that the AMA's Trustees and leadership already can access alternative opinions and/or perspectives. The Committee considered these comments and, while it agreed with them, did not object to adopted Resolution 3 as written. The Committee does, however, recommend that Resolution 3 be held back until the next Annual Meeting, as the resolution does not pertain to advocacy and will not be accepted by the House of Delegates at the 2026 Interim Meeting.

Your Reference Committee thus recommends that Resolution 3 be adopted and held back for consideration at the 2027 Annual Meeting of the House of Delegates.

RECOMMENDED FOR ADOPTION AS AMENDED

(3) RESOLUTION 1 – HOSPITALS MUST NEGOTIATE PHYSICIAN RATES WITH INSURERS IN GOOD FAITH

RECOMMENDATION A:

The resolve of Resolution 1 be amended by addition to read as follows:

RESOLVED, that our American Medical Association will advocate for a federal law that requires hospitals and other employers to negotiate with payers in good faith for their employed physician payment rates, such that the contracted physician rates must at least reflect the full pro-rated cost of running the physician practice and payments the hospitals actually expect to pay their employed physicians (Directive to Take Action).

RECOMMENDATION B:

Resolution 1 be adopted as amended.

RECOMMENDATION D:

Resolution 1 be held back for consideration at the 2027 Annual Meeting of the AMA House of Delegates.

RESOLVED, that our American Medical Association will advocate for a federal law that requires hospitals to negotiate with payers in good faith for their employed physician payment rates, such that the contracted physician rates reflect the payments the hospitals actually expect to pay their employed physicians (Directive to Take Action).

Your Reference Committee heard supportive testimony for Resolution 1, including an offered amendment that sought to more fully articulate what requirements a law would have regarding physician rates. The Committee largely agreed with the proposed addition and largely incorporated it into its own recommendations here. The Committee did consider that given the resolve's focus on employed physicians that perhaps Resolution 2 was not germane to the PPPS, however it found itself persuaded through testimony that the proposed changes would redound to independent practices as well as employed physicians in the long-term. Despite Resolution 1 asking for a federal law, the Committee was not convinced that it would be deemed as related to advocacy by the House of Delegates, however. While still considering the resolution to be important, the Committee also was not convinced that it required immediate action that could not wait until June, 2027, when the House would almost certainly be willing to accept it as an item of business.

Your Reference Committee thus recommends that Resolution 1 be adopted as amended and held back for consideration at the 2027 Annual Meeting of the House of Delegates.

(4) RESOLUTION 4 – DUE PROCESS, TRANSPARENCY, AND ACCOUNTABILITY FOR DELEGATED THIRD-PARTY PRIOR AUTHORIZATION AND UTILIZATION MANAGEMENT ENTITIES

RECOMMENDATION A:

The second resolve in Resolution 4 be amended by addition and deletion to read as follows:

RESOLVED, that our American Medical Association will advocate for federal legislation and/or regulation when appropriate, irrespective of contract type, requiring health plans and their delegated utilization management entities to publicly disclose the material financial terms of their utilization management contracts, ~~including~~ in particular whether any portion of compensation is contingent upon or proportional to denial rates, cost-savings targets, or return-on-investment guarantees (Directive to Take Action); and be it further

RECOMMENDATION B:

The third resolve in Resolution 4 be deleted.

~~RESOLVED, that our AMA advocate that the Centers for Medicare & Medicaid Services, the Department of Health and Human Services, and the Department of Labor prohibit utilization management contracting arrangements in which a delegated entity's compensation is contingent upon or proportional to the volume or dollar value of denied, reduced, or terminated prior authorization requests (Directive to Take Action); and be it further~~

RECOMMENDATION C:

Resolution 4 be adopted as amended.

RECOMMENDATION D:

Resolution 4 be immediately forwarded for consideration at the 2026 Interim Meeting of the AMA House of Delegates.

RESOLVED, that our American Medical Association advocate for federal legislation and/or regulation requiring that, whenever a delegated third-party utilization management entity issues an adverse determination denying, reducing, or terminating requested care, the health plan make its own medical director — licensed in the state in which the patient is receiving care and of the same specialty or subspecialty as the ordering physician — directly available to the treating physician for peer-to-peer review, and that the health plan's medical director, rather than the delegated entity's reviewer, bear final accountability for the coverage determination (Directive to Take Action); and be it further

RESOLVED, that our AMA advocate for federal legislation and/or regulation requiring health plans and their delegated utilization management entities to publicly disclose the material financial terms of their utilization management contracts, including whether any portion of compensation is contingent upon or proportional to denial rates, cost-savings targets, or return-on-investment guarantees (Directive to Take Action); and be it further

RESOLVED, that our AMA advocate that the Centers for Medicare & Medicaid Services, the Department of Health and Human Services, and the Department of Labor prohibit utilization management contracting arrangements in which a delegated entity's compensation is contingent upon or proportional to the volume or dollar value of denied, reduced, or terminated prior authorization requests (Directive to Take Action); and be it further

RESOLVED, that our AMA advocate for federal legislation and/or regulation establishing that delegated third-party utilization management entities and their clinical reviewers are subject to the same accountability standards applicable to health plan medical directors under AMA Policy H-285.939, and that the contracting health plan remain jointly accountable for adverse determinations issued on its behalf (Directive to Take Action).

Your Reference Committee heard testimony supportive of Resolution 4, though with some reservations that some provisions within the resolution may already be established AMA policy; advancing such provisions could lead the House of Delegates to assign Resolution 4 to the Reaffirmation calendar, eliminating action on the components of the resolution that the Committee believed were novel. The Committee assumed that the provisions that could be interpreted as reaffirmation were included because the goal of Resolution 4 is to urge the AMA into direct action, whether it be on existing policy or with respect to new ones. As such, the Committee's proposed amendments here demonstrate its attempts to highlight the resolution's new calls to action in a way that will best help it survive any attempts at reaffirmation at the House of Delegates. This was particularly the case with the third resolve clause, which the Committee found to be mostly reaffirmation, and thus recommends eliminating it.

The Committee found Resolution 4 to be timely, urgent, and appropriate for the advocacy framework of the House for the Interim Meeting. Your Reference Committee thus recommends that Resolution 4 be adopted as amended and immediately forwarded to the House of Delegates for consideration at the 2026 Interim Meeting.

RECOMMENDED FOR NOT ADOPTION

(5) RESOLUTION 5 – PAYMENT TRANSPARENCY TO NON-PROFIT HEALTHCARE ENTITIES

RECOMMENDATION:

Resolution 5 be <u>not adopted.</u>

RESOLVED, that our American Medical Association will advocate for a federal law that requires non-profit hospitals and insurers to post on public websites information about all insurer payments for physician fees and facility fees to non-profit hospitals (Directive to Take Action).

Your Reference Committee heard support for Resolution 5 and agreed with testimony reflecting that transparency is a worthwhile goal and that efforts should continually be made to ensure patients and the public are aware of the costs of the care they receive. In that sense, the Committee found that Resolution 5 likely goes hand in hand with Resolution 1, discussed earlier. Given that both resolutions pertain to requirements to make healthcare facilities disclose costs and/or payments, the Committee was curious why Resolution 5 couldn't be folded into Resolution 1. The Committee found itself wishing the resolution had included more information on why non-profits in particular were singled out, relative to for-profit hospitals.

The Committee also questioned how feasible the resolution would be outside of AMA influence. It noted that many hospitals already are under obligation to make costs public, although in most cases these are related to costs incurred directly by patients, whereas Resolution 5 would require facilities to post payment for physician fees and facility fees. While the Committee agreed that such costs should be made transparent, it questioned if just adding the mandate that facilities do so would be enough to ensure actual change given the difficulties many hospitals have reported in making their costs public so far.

Given the recommended acceptance of Resolution 1, the Committee's questioning of the focus on non-profits, and the questions about effectives of enaction, the Committee believes Resolution 5 would benefit from a little more work to unpack the open questions and refine the resolve clause's "ask." The Committee would be open to forwarding a revised version of Resolution 5 onto the House of Delegates at the 2026 Interim Meeting with a little more background information and a refined focus for the resolve clause.

Your Reference Committee thus recommends that Resolution 5 be not adopted, however the Committee would support a secondary review with additional information, potentially as a late resolution, for consideration at the 2026 Interim Meeting.

Doctor Chair, this concludes the report of the Private Practice Physicians Section Reference Committee. I would like to thank Dr. Shalini Shah, as well as all those who testified before the Committee.

Connie DiMari, MD
Chair, PPPS Reference Committee

Shalini Shah, MD, MPH